

AMENDED IN ASSEMBLY JUNE 8, 2016
AMENDED IN SENATE JANUARY 26, 2016
AMENDED IN SENATE MAY 14, 2015

SENATE BILL

No. 680

Introduced by Senator Wieckowski
(Coauthors: Senators Hill and Stone)
(Coauthor: Senator Beall)

February 27, 2015

An act to add and repeal Section 6388.6 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy, relating to state real property, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 680, as amended, Wieckowski. ~~Sales and use taxes: exemption: passenger vehicles. State real property: surplus: City of Santa Clara.~~

Existing law provides that the Director of General Services may acquire and dispose of surplus state real property where that property is not needed by another state agency and the Legislature has authorized disposal of the property. Existing law also specifies the manner in which the Department of General Services is to dispose of surplus state real property. Existing law authorizes the director, subject to certain conditions, to sell, lease, or exchange a specified parcel of real property in the City of Santa Clara upon terms and conditions and subject to reservations and exceptions that the director determines are in the best interests of the state.

This bill would authorize the director to modify the existing terms and conditions of the transfer to the Housing Authority of the City of Santa Clara of a specified parcel of real property within the City of

Santa Clara to allow for residential development of that parcel, as provided. The bill would exempt related state activities from certain provisions of the California Environmental Quality Act. The bill would, as a condition of modifying the terms and conditions of the transfer, require the City of Santa Clara to indemnify, defend, and hold harmless the state from any and all claims, damages, or liabilities arising out of, in connection with, or directly or indirectly resulting from the exercise of the rights authorized by these provisions by the City of Santa Clara, the Housing Authority of the City of Santa Clara, and any subsequent purchaser or transferee of the property. The bill would also require the state to select counsel in any action arising out of, in connection with, or directly or indirectly resulting from the exercise of these rights.

The California Constitution requires that the proceeds from the sale of surplus state property be used to pay the principal and interest on bonds issued pursuant to the Economic Recovery Bond Act until the principal and interest on those bonds are fully paid, after which these proceeds are required to be deposited into the Special Fund for Economic Uncertainties, a continuously appropriated fund.

This bill would, if the property described above is used for a residential development, require the department to determine the difference between the actual price paid by the local agency for the property and the fair market value of the property and require the Housing Authority of the City of Santa Clara to pay that difference to the department. By increasing the amount transferred into continuously appropriated funds, this bill would make an appropriation.

~~Existing sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for the storage, use, or other consumption in this state, and provides various exemptions from those taxes.~~

~~This bill, until January 1, 2020, would exempt those taxes, the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, a qualified new passenger vehicle, as defined, and qualified accessories, as defined, that are purchased in California for permanent use outside this state, as provided. The bill would provide that a qualified new passenger vehicle sold or purchased without payment of tax pursuant to this exemption would be ineligible for any electric vehicle incentive offered by the State of California, as specified.~~

~~The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law, and existing law authorizes districts, as specified, to impose transactions and use taxes in accordance with the Transactions and Use Tax Law, which conforms to the Sales and Use Tax Law. Amendments to state sales and use taxes are incorporated into the local tax laws.~~

~~Existing law requires the state to reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.~~

~~This bill would provide that notwithstanding those provisions, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.~~

~~This bill would take effect immediately as a tax levy.~~

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Director of General Services may modify
- 2 the existing terms and conditions, including, but not limited to, the
- 3 existing purchase and sale agreement, as amended, the grant deed,
- 4 and any other applicable transaction documents, of the transfer
- 5 to the Housing Authority of the City of Santa Clara of an
- 6 approximately six-acre parcel of real property within the City of
- 7 Santa Clara, Assessor's Parcel Number 303-17-053, for the
- 8 purposes set forth in subdivision (b). The director is authorized to
- 9 make any modifications pursuant to this subdivision on terms and
- 10 conditions and subject to any reservations and exceptions that the
- 11 director determines are in the best interests of the state.
- 12 (b) (1) The property described in subdivision (a) may be used
- 13 for a residential development including both residential units that
- 14 are affordable to persons of extremely low, very low, or low or
- 15 moderate income and residential units at market rate. As a result
- 16 of any property modification to the original entitlements, the
- 17 Department of General Services shall determine the difference
- 18 between the actual price paid by the local agency for the property
- 19 and the fair market value of the property, which shall be paid by
- 20 the Housing Authority of the City of Santa Clara to the department.
- 21 (2) The City of Santa Clara may, subject to the consent of the
- 22 other parties to the agreement, amend the development agreement

1 applicable to the property described in subdivision (a) in order to
2 remove that property from the agreement.

3 (c) Any action by the Department of General Services or any
4 other state agency necessary to implement this act is exempt from
5 Chapter 3 (commencing with Section 21100) to Chapter 6
6 (commencing with Section 21165), inclusive, of Division 13 of the
7 Public Resources Code, as permitted by paragraph (2) of
8 subdivision (k) of Section 11011 of the Government Code.
9 However, the City of Santa Clara, the Housing Authority of the
10 City of Santa Clara, and any subsequent purchaser or transferee
11 of the property described in subdivision (a) shall be subject to any
12 local government land use entitlement approval requirements and
13 to Chapter 3 (commencing with Section 21100) to Chapter 6
14 (commencing with Section 21165), inclusive, of Division 13 of the
15 Public Resources Code.

16 SEC. 2. As a condition of modifying the terms and conditions
17 as provided in subdivision (a) of Section 1 of this act, the City of
18 Santa Clara shall indemnify, defend, and hold harmless the state
19 from any and all claims, damages, or liabilities arising out of, in
20 connection with, or directly or indirectly resulting from the exercise
21 of the rights authorized by this act by the City of Santa Clara, the
22 Housing Authority of the City of Santa Clara, and any subsequent
23 purchaser or transferee. In any action arising out of, in connection
24 with, or directly or indirectly resulting from the exercise of these
25 rights, the state shall select counsel to defend the state.

26 SECTION 1. ~~Section 6388.6 is added to the Revenue and~~
27 ~~Taxation Code, to read:~~

28 ~~6388.6. (a) There are exempted from the taxes imposed by~~
29 ~~this part, the gross receipts from the sale in this state of, and the~~
30 ~~storage, use, or other consumption in this state of, any qualified~~
31 ~~new passenger vehicle and qualified accessories sold to a person~~
32 ~~for permanent use outside this state, provided all of the following~~
33 ~~conditions are met:~~

34 ~~(1) The qualified new passenger vehicle is moved to a point~~
35 ~~outside of this state within 30 days from the date of purchase.~~

36 ~~(2) A one-trip permit for driving or moving the qualified new~~
37 ~~passenger vehicle to a point outside of this state pursuant to Section~~
38 ~~4003 of the Vehicle Code is obtained by a person who presented~~
39 ~~an out-of-state driver's license at the time he or she obtained the~~
40 ~~permit.~~

1 ~~(3) The purchaser provides the retailer at time of purchase with~~
2 ~~an exemption certificate as provided in Section 6421.~~

3 ~~(4) The purchaser is not a California resident, as defined in~~
4 ~~Section 516 of the Vehicle Code.~~

5 ~~(b) The exemption certificate shall identify the vehicle, seller,~~
6 ~~purchaser, and purchaser's out-of-state driver's license or permit~~
7 ~~number, state that the vehicle will be removed from this state within~~
8 ~~30 days of the date of purchase, and state that the vehicle will be~~
9 ~~licensed and registered outside this state for permanent use outside~~
10 ~~this state.~~

11 ~~(c) Notwithstanding any other law, the purchaser of any qualified~~
12 ~~new passenger vehicle pursuant to this section is ineligible for all~~
13 ~~of the following:~~

14 ~~(1) A rebate administered by the State Air Resources Board or~~
15 ~~offered by the Clean Vehicle Rebate Project.~~

16 ~~(2) Any incentive or exemption provided under the Clean Air~~
17 ~~Vehicle decal program.~~

18 ~~(3) Any other electric vehicle incentive offered by the State of~~
19 ~~California.~~

20 ~~(d) For purposes of this section:~~

21 ~~(1) "Permanent use outside this state" means that the qualified~~
22 ~~new passenger vehicle is licensed, registered, and used outside~~
23 ~~this state and the qualified new passenger vehicle and qualified~~
24 ~~accessories do not return to this state within 12 months from the~~
25 ~~date of purchase.~~

26 ~~(2) "Qualified accessories" means tangible personal property~~
27 ~~that is affixed or attached to, or sold with, the qualified new~~
28 ~~passenger vehicle, a power source for the qualified new passenger~~
29 ~~vehicle, or other accessories commonly sold with a new passenger~~
30 ~~vehicle that are sold together with the qualified new passenger~~
31 ~~vehicle.~~

32 ~~(3) "Qualified new passenger vehicle" means a passenger~~
33 ~~vehicle, as defined in Section 465 of the Vehicle Code, that has~~
34 ~~not previously been sold, except any of the following motor~~
35 ~~vehicles:~~

36 ~~(A) Motoreycles.~~

37 ~~(B) Housecars.~~

38 ~~(C) Motor vehicles constructed on truck chassis.~~

39 ~~(e) This section shall remain in effect only until January 1, 2020,~~
40 ~~and as of that date is repealed.~~

1 ~~SEC. 2. Notwithstanding Section 2230 of the Revenue and~~
2 ~~Taxation Code, no appropriation is made by this act and the state~~
3 ~~shall not reimburse any local agency for any sales and use tax~~
4 ~~revenues lost by it under this act.~~

5 ~~SEC. 3. This act provides for a tax levy within the meaning of~~
6 ~~Article IV of the Constitution and shall go into immediate effect.~~